

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0104
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>HOLLAND NEAL A JR</u> (Last) (First) (Middle) <u>PO BOX 1948</u> (Street) <u>DECATUR AL 35602</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>01/01/2005</u>	3. Issuer Name and Ticker or Trading Symbol <u>PEOPLES HOLDING CO [PHC]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)	
		5. If Amendment, Date of Original Filed (Month/Day/Year)	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned			
1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	20,199 ⁽¹⁾	D	
Common Stock	869 ⁽¹⁾	I	By Spouse
Common Stock	4,832 ⁽¹⁾	I	By Holland Family Trust
Common Stock	101,431 ⁽¹⁾	I	By Holland Holding Family Trust

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)							
1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Option (Right to Buy)	01/01/2005 ⁽²⁾	08/24/2008	Common Stock	18,000 ⁽¹⁾⁽²⁾	16.68 ⁽²⁾	D	

Explanation of Responses:

1. Received on 01/01/05 in exchange of Heritage Financial Holding (HBFH) in connection with the merger of Heritage Financial Holding with and into The Peoples Holding Company (PHC), based on an exchange ratio of .2 shares of PHC common stock for each share of HBFH common stock.
2. Heritage Financial Holding Company originally granted this option 8/24/1998. Effective with the 1/1/2005 merger of Heritage Financial Holding Company with and into The Peoples Holding Company, this option was accelerated and became fully exercisable. The exchange ratio was .2 shares of PHC common stock for each share of HBFH common stock. The exercise price was calculated by dividing the original exercise price by the exchange ratio.

Neal A. Holland, Jr. 01/10/2005
** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).
** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.